

Maryland Jobs Development Act

FY 2014 Report

Pursuant to:

Economic Development Article §2-123

By the:

Maryland Department of Business and Economic Development

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Background

The Maryland Department of Business and Economic Development (Department) is pleased to submit the FY 2014 Maryland Jobs Development Act Report pursuant to Economic Development Article §2-123.

The Maryland Jobs Development Act requires the Department to report data on certain finance programs and tax incentive programs administered by the Department by December 31st of each year. Specifically, the report covers the following finance programs: Biotechnology Development Awards (Biotech Grants), Community Development Block Grant (CDBG), Maryland Economic Development Assistance Authority Fund (MEDAAF), Maryland Industrial Financing Act (MIDFA), Military Personnel and Service-Disabled Veterans No-Interest Loan Program (Military/Disabled Vets), Maryland Small Business Development Financing Authority (MSBDFA), Partnership for Workforce Quality (PWQ), Economic Development Opportunities Program Fund (Sunny Day), Maryland Venture Fund (MVF) and Video Lottery Terminal Fund (VLT). The report also covers the following tax incentive programs: One Maryland Tax Credit (OneMD), Job Creation Tax Credit (JCTC), Research and Development (R&D), Maryland Film Production Activity (Film), and the Biotechnology Investment Incentive (BIITC).

The report shall include data on the number of jobs created, the number of jobs retained; the estimated amount of State revenue generated; and any additional information required by the Department through regulations both in the aggregate and disaggregate by each program and each recipient. Additionally, the Department must implement a process to assist recipients of such program(s) to ensure compliance with program requirements.

The Department does provide the Maryland General Assembly with program reports on every economic development program administered by the Department as required by law or voluntarily. All incentive programs have reporting requirements that respond to the intent and goals of the program. Report deadlines vary by report but the majority of the Department's reports are due in November or December. Reports are available on the Department's Business.Maryland.gov website.

Data by Program and Data by Recipient

The detailed information has been compiled in the Department's Finance Tracker. Finance Tracker is the Department's on-line database for maintaining records of grants, tax credits, equity investments and loan enhancements. Finance Tracker includes information on incentives provided by companies for FY 2009-2014. Users can search and sort data by company, industry, location and program. Please visit <http://business.maryland.gov/fund/maryland-finance-tracker> to view this information and the summary in Appendix A. The Finance Tracker also includes information on the Department's ExportMD grants and Maryland Economic Adjustment Fund (MEAF) transactions which are not covered in this report. In FY 2014 there were ExportMD grants totaling \$230,000 to 35 businesses and one MEAF transaction for \$60,000.

Table 1 below summarizes FY 2014 activity by the number of clients and incentive amount. The FY 2014 activity covers 432 transactions totaling \$86.3 million in grants and loans, \$1.26 in loan

guarantees and \$52.5 million in tax incentives. The largest number of transactions was the Research and Development Tax Credit, with 202 recipients of \$8 million in tax credits. There were 74 recipients of Video Lottery Terminal Fund financing totaling \$8 million. The Department's major finance program, the Maryland Economic Development Assistance Authority Fund (MEDAAF) had 30 transactions totaling \$22 million. The Maryland Venture Fund made investments totaling \$34 million in both companies and other venture funds. Six companies received Job Creation Tax Credits (JCTC) and four received One Maryland Tax Credits (OneMD). Research and Development tax credits (R&D) were awarded to 202 companies based on over \$1.2 billion in qualified research conducted in Maryland. There were 23 companies receiving investment from 134 investors through the Biotechnology Investment Incentive Tax Credit (BIITC). Film Production Activity Tax Credits of \$17 million supported two productions in Maryland.

Table 1: Program Activity

Program	Count of Recipient	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount
Finance				
Video Lottery Terminal Fund	74	7,952,321		
Maryland Economic Development Assistance Authority Fund	30	21,997,256		
Maryland Small Business Development Financing Authority	23	3,722,000	215,000	
Biotechnology Development Awards	8	1,453,326		
Partnership for Workforce Quality	7	33,089		
Maryland Industrial Financing Authority	6	15,879,000*	1,047,063	
Community Development Block Grant	3	1,110,000		
Military Personnel and Service-Disabled Veterans No-Interest Loans	1	50,000		
Economic Development Opportunities Program	0			
Equity Investment				
Maryland Venture Fund	43	34,125,180		
Tax Credits				
Research and Development	202			8,000,000
Biotechnology Investment Incentive	23			8,923,037
Job Creation Tax Credit	6			438,119
One Maryland Tax Credit	4			18,056,536
Maryland Film Production Activity	2			17,091,048
Totals	432	\$86,322,172	\$1,262,063	\$52,508,740

Source: Department of Business and Economic Development

*MIDFA Amount is the amount of bonds or credit enhancement; MIDFA does not provide direct funding

OneMD and JCTC tax credits are estimated. Actual tax credits amounts are confidential Comptroller office information

Twenty-four companies received multiple incentives from multiple programs. The list is presented in Appendix D. In all but four cases, the jobs reported apply only to one program. In cases where job impacts are reported for multiple programs the estimated job impacts are allocated to only one program.

Program Evaluation

This section provides an analysis of the available performance information and explanation of the evaluation results. The information is provided by the program administrators from performance agreements and applications submitted at the time of the transaction. The evaluation was conducted by the Department's Office of Research and Information Services based on the Department's Finance Tracker and program reports for settled projects receiving incentives in FY 2014. **Table 2** summarizes the information by program for the number of clients, incentive amount, and direct jobs created and/or retained and total expenditures associated with the project. Financing programs represent the majority of projects with a total of 165 clients, \$86.3 million in settled approved transactions, 2,666 new jobs, 6,486 retained jobs and \$582 million in project costs.

Table 3 summarizes program activity by the industry supported. The mix of industries changes every year based on demand but in general the majority of assistance goes to the professional and technical services sector and to manufacturing. In FY2014, Manufacturing received the largest dollar amount with \$32.7 million in total assistance and 120 transactions. The largest number of transactions was to professional, scientific, and technical services companies. These include many technology companies such as those in biotech, information technology and cybersecurity, as well as professional services and engineering. These transactions represent \$30.8 million in total assistance, including loans, loan guarantees and tax credits. In relation to the industry's share of the State Gross Domestic Product (GDP) and employment, manufacturing received the largest proportion of assistance, followed by information, finance, and professional services.

Table 2: Program Performance

Program	Recipients	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	New Jobs	Retained Jobs	Project Expenditures
Biotech Grants	8	1,453,326				28	4,428,749
CDGB	3	1,110,000			100	75	12,022,000
MEDAAF							
MEDAAF-2	12	9,046,463			834	3,547	106,014,519
MEDAAF-3	8	11,247,031			505	1,555	197,241,766
MEDAAF-4	5	1,150,000					1,600,000
MEDAAF-5	5	553,761			9	10	26,089,494
MIDFA	6	15,879,000*	1,047,063		15	32	5,200,000
MSBDFA	23	3,722,000	215,000		131	223	25,575,000
PWQ	7	33,089			19	119	51,665
Military/Disabled Veterans	1	50,000			2	5	50,000
VLT	74	7,952,321				668	
Finance Total	122	52,196,991	1,262,063		1,615	6262	378,273,193
Equity Investment							
MVF	43	34,125,180			1,051	224	203,984,997
Equity Total	43	34,125,180			1,051	224	203,984,997
Tax Credits							
BIITC	23			8,923,037			
Film	2						86,927,636
JCTC	6			438,119	435		
OneMD	4			18,056,536	168		18,056,536
R&D	202			8,000,001			
Tax Credits Total	237			35,417,693	603		104,984,172
Grand Total	432	86,322,172	1,262,063	35,417,693	3,269	6,486	687,242,362

*MIDFA Amount is the amount of bonds or credit enhancement; MIDFA does not provide direct funding

**Amount of OneMD and JCTC tax credits are an estimation based on the allowable project costs, jobs and wages. Actual tax credits amounts are calculated on the recipients' tax returns and are therefore confidential Comptroller office information.

Table 3: Program Performance by Industry

Industry	Count of Recipients	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Film Tax Credit	Total Jobs	Project Expenditures
Professional, Scientific, and Technical Services	134	14,206,595	25,000	16,605,168		2,320	68,741,250
Manufacturing	120	17,094,320	750,000	14,902,861		4,258	252,265,164
Information	37	4,872,698		1,337,592	17,091,048	680	102,312,633
Retail Trade	21	4,551,250		29,620		564	5,350,000
Other Services	18	1,015,248				69	50,000
Construction	18	1,590,000	30,000	114,583		103	36,995,000
Accommodation and Food Services	17	4,736,786	50,000			1,278	22,134,519
Local Government	14	2,951,031				325	14,863,766
Wholesale Trade	12			542,373		3	
Administrative and Support Services	8	550,000		141,351		165	1,720,000
Health Care and Social Assistance	7	665,761	135,000			38	1,598,494
Transportation and Warehousing	6	172,000		1,633,897		76	1,736,536
Finance and Insurance	4	18,650,000					167,000,000
Educational Services	4	11,877,482		28,439			
Real Estate and Rental and Leasing	3	300,000		9,483		7	9,000,000
Agriculture	3	2,879,000	272,063			24	3,475,000
Management of Companies and Enterprises	3			72,292			
Utilities	2	150,000		34		6	
Arts, Entertainment, and Recreation	1	60,000				2	
Grand Total	432	86,322,172	1,262,063	35,417,693	17,091,048	9,917	687,242,362

Program Impacts

The following analysis uses direct jobs where available to evaluate the total impact of programs. Direct jobs include newly created jobs and jobs retained by the project. In some cases where job numbers are not a requirement of the program, the amount of project spending in Maryland is used to estimate the number of full-time equivalent jobs supported by the project. These estimates are based on spending patterns from the IMPLAN economic model for the State¹. The total jobs number includes the secondary, or multiplier effects of the jobs (direct, indirect and induced). The estimates of secondary jobs and wages also are based on the IMPLAN economic model for the State.

Based on the total jobs and wages, the annual State tax revenue from those jobs is estimated. For most of the State's incentives, those annual tax benefits continue to accrue to the State for a period of years beyond the initial incentive year. State revenue impacts are estimated based on average State income and sales tax payments by income class for the total jobs generated by the project.² Although other revenues may be generated such as State and local property taxes from property improvements, corporate income taxes and other taxes and fees, these are not included in the revenue estimates. Such impacts are evaluated by the Department in the case of individual projects, but not in aggregate for the purposes of this report.

For all programs, impacts are estimated for a one-year period providing a snapshot of FY14 activity. However, this approach does not take into account the ongoing impacts generated by the incentives. In most cases, the jobs and investment supported by the incentives are required to remain in Maryland over a period of years. Therefore, an estimate of 5-year benefits is also provided.

Detailed Impact by Program

The following section summarizes the job and revenue impacts of each program based on the available information and according to the intent of the program. Job creation is the primary, but not the only, intent of economic development programs. For example, the BIITC was enacted to grow Maryland's Biotechnology industry by encouraging investment in early-stage Maryland Biotechnology companies. The Maryland Venture Fund is designed to invest in new state enterprises, the film production tax credit is intended to promote the film industry in Maryland and the Research and Development tax credit incentivizes R&D spending in Maryland. Combined, the portfolio of economic development incentives should be measured for overall effectiveness in growing the strategic industries and diversifying the economy to be sustainable for the long term.

¹ IMPLAN System (2012 data and version 3.1 software), IMPLAN Group, LLC, 16740 Birkdale Commons Parkway Suite 206, Huntersville, NC 28078 www.implan.com

² Office of the Comptroller, Maryland Net State and Local Tax By Income Class
http://finances.marylandtaxes.com/Where_the_Money_Comes_From/General_Revenue_Reports/summary12.pdf
 Maryland Tax Expenditure Report FY2014
<http://dbm.maryland.gov/agencies/operbudget/Documents/2014/FY14TaxExpendituresRpt.pdf>

The program evaluation is organized according to the general economic development objectives of the programs:

- Economic Growth through job creation, retention and investment
- Assistance to small and minority businesses and/or underserved areas
- Promoting startups and innovation through technology commercialization and investment
- Economic diversification through targeted industry support.

1. Job Creation, retention and investment

Many programs have overarching objectives with job creation serving as the common measure. Most of the Department's programs are evaluated based on job creation, either directly or indirectly. However, there are many ways of achieving job creation either through incentives to individual companies, growing strategic industries or developing new economic activities. The primary way that economic development programs create jobs is to bring new economic activity and spending to a region that would not otherwise occur. Therefore, most economic development programs are targeted to basic industries, those exporting from the region and bringing wealth from outside, with non-basic (or service) industries supporting those basic industries and growing as the new activities develop. Programs may provide incentives based on job creation or on investment, which in turn generates jobs through increased economic activity. The core metrics for these programs are job creation, wages, capital expenditures and project costs.

Maryland Economic Development Assistance Authority Fund (MEDAAF)

The Maryland Economic Development Assistance Authority Fund (MEDAAF) is the primary economic development finance tool offered by the Department. MEDAAF was enacted in 1999 to provide below market, fixed rate financing to growth industry sector businesses, locating or expanding in priority funding areas of the State. The MEDAAF program is administered under five capabilities that address appropriate economic development opportunities for both the business community and political jurisdictions as follows:

- MEDAAF Capability 1 - Significant Strategic Economic Development Opportunities
- MEDAAF Capability 2 - Local Economic Development Opportunities
- MEDAAF Capability 3 - Direct Assistance to Local Jurisdictions or MEDCO
- MEDAAF Capability 4 - Regional or Local Revolving Loan Funds
- MEDAAF Capability 5 - Special Purpose Grants and Loans/Brownfields

The primary job creation capabilities are MEDAAF-1, 2 and 3. MEDAAF-4 provides for local governments to create revolving loan funds to assist small businesses; MEDAAF-5 has several special purposes including day care facility finance, Arts and Entertainment Districts, and brownfield remediation.

MEDAAF Capability 1 - Significant Strategic Economic Development Opportunities

Projects under this capability are normally regarded as producing significant economic development opportunities on a Statewide or regional level. Assistance is provided directly to businesses or through the Maryland Economic Development Corporation (MEDCO) in the form

of a loan. The maximum assistance under this capability cannot exceed the lesser of \$10,000,000 or 20 percent of the current fund balance. This capability has had limited use due to budgetary constraints on funding and there was no activity in FY2014.

MEDAAF Capability 2 - Local Economic Development Opportunities

Capability 2 of MEDAAF provides assistance in the form of a loan, a conditional loan, investment, or a grant directly to a business or to MEDCO for use in the project. All assistance under this capability must be endorsed through a formal resolution by the governing body of the jurisdiction in which the project is located. In addition, the local jurisdiction must participate in an amount equal to at least 10 percent of the total assistance. Funds may be used for land acquisition, infrastructure improvements, buildings, fixed assets and leasehold improvements.

Twelve companies received funding under MEDAAF-2 totaling \$9.05 million in FY 2014. The recipients include five manufacturers, four technology companies and three service companies. The companies committed to creating 834 new jobs and retaining 3,547 jobs for a total of 4,381 direct jobs. With an average annual salary over \$57,000, the direct and secondary jobs are estimated to generate \$13.6 million in annual revenues. Including secondary impacts, the annual revenues are over \$24 million. In addition, project costs totaling \$106 million may generate additional economic activity and revenues for the state although these are not included in the impacts below.

MEDAAF-2 FY2014 Activity

Number	Industry	Approved Loan Amount	Total Project Costs	New and Retained Jobs
5	Manufacturing	3,115,000	45,520,000	2,028
4	Professional, Scientific, and Technical Services	1,700,000	33,720,000	856
2	Accommodation and Food Services	3,381,463	21,774,519	1,047
1	Retail Trade Services	850,000	5,000,000	450
12	Total	9,046,463	106,014,519	4,381

MEDAAF-2 FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	4,381	\$274,519,900	\$14,967,110
Secondary	5,380	\$284,460,460	\$15,268,560
Total	9,761	\$558,980,360	\$30,235,670

DBED analysis using IMPLAN, Amounts in 2014 dollars

MEDAAF Capability 3 - Direct Assistance to Local Jurisdictions or MEDCO

Capability 3 of MEDAAF provides assistance directly to a local jurisdiction or MEDCO for local economic development needs including feasibility studies, economic development strategic plans, and infrastructure. Funds may be used for buildings, infrastructure improvements, fixed assets and leasehold improvements. All assistance under this capability must be endorsed

through a formal resolution by the governing body of the jurisdiction in which the project is located.

Assistance provided may be in the form of a loan, a conditional loan, investment, or a grant. During FY2014, the Department approved assistance for eight transactions totaling \$11,247,031 consisting of three transactions to local jurisdictions totaling \$10,982,448 for support to economic development projects, and five feasibility studies and strategic plans totaling \$ 264,583. The three economic development projects were:

- Washington County, Volvo Powertrain's expansion at Hagerstown plant
- Baltimore County, General Motors expansion of White Marsh facility
- Wicomico County, renovations to the Piedmont hangar complex at the Wicomico Regional Airport.

These three projects accounted for 505 new jobs and 1,555 retained jobs for a total of 2,060 jobs. The reported project costs of these projects total \$196.8 million. With an average annual salary over \$67,000, the direct and secondary jobs are estimated to generate \$20.3 million in annual revenues. The project investments may generate construction jobs related to the infrastructure improvements but these are not included.

MEDAAF-3 FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	2,060	\$173,389,620	\$9,117,720
Secondary	3,658	\$212,362,740	\$11,225,800
Total	5,718	\$385,752,350	\$20,343,520

DBED analysis using IMPLAN, Amounts in 2014 dollars

Funding for feasibility studies/strategic plans went to the Town of Denton, MEDCO, Maryland Stadium Authority and Montgomery County. There are no reported immediate job impacts of the feasibility studies or strategic plans, as the funds go directly to the jurisdiction and not to a business.

MEDAAF Capability 4 - Regional or Local Revolving Loan Funds

Capability 4 of MEDAAF provides assistance to local jurisdictions to help capitalize local economic development revolving loan funds. The Department provides assistance to jurisdictions for their revolving loan funds to more effectively reach diverse geographic and industry segments of the business community. The typical revolving loan fund client is a small business that may be in an industry sector, such as retail service, that is not otherwise eligible for assistance. The final recipient of financing is determined by the local jurisdiction.

Eligible applicants include jurisdictions or a jurisdiction's designated regional economic development agency, whether public or private. Jurisdictions may receive funding of up to \$250,000 annually. To qualify for funding, local jurisdictions must provide acceptable matching funds into the designated revolving loan fund. FY 2014 recipients were Baltimore County, Baltimore Development Corporation, Charles County, City of Hagerstown, and Tri-County Council for Western Maryland. There are no reported job impacts, as the funds go directly to the

jurisdiction and not to a business. The jurisdictions report on the economic benefits for their communities.

MEDAAF Capability 5 - Special Purpose Grants and Loans

This capability contains targeted programs for specialty initiatives that have at one time or another been deemed critical to the State's economic health and development by the General Assembly. These specialty programs may be exempt from local participation and certain other MEDAAF requirements. The special purpose initiatives include Brownfields, Seafood and Aquaculture, Animal Waste, Day Care, and Arts and Entertainment. In FY2014 a total of \$553,761 was awarded for one Arts & Entertainment District conditional grant, two Brownfield Remediation conditional grants and two Day Care facilities loans.

The funds do not have a direct job creation component. The economic impacts are estimated based on the project costs, which are for eligible environmental expenses, redevelopment of former industrial sites, and building renovations. Based on total project costs of \$26 million, the project activities would generate 172 jobs. Additional revenue benefits are possible as the properties and facilities are redeveloped.

MEDAAF-5 FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	172	\$9,249,850	\$496,760
Secondary	143	\$7,166,650	\$380,000
Total	315	\$16,416,500	\$876,760

DBED analysis using IMPLAN, Amounts in 2014 dollars

Job Creation Tax Credit (JCTC)

The Job Creation Tax Credit (JCTC) was enacted in 1996 to encourage businesses to create new jobs in Maryland. The credit is available State-wide, but lower job thresholds and increased credits are available in targeted areas. The credits are available for full-time jobs, paying at least 150 percent of federal minimum wage in targeted industry sectors. The JCTC is available anywhere in the State in a variety of targeted industry sectors.

In FY 2014, the Department issued 11 preliminary certificates and 8 final certificates of eligibility for the JCTC. The amount of tax credits actually claimed by the company is not known to the Department because of taxpayer confidentiality. However, based on the eligible jobs and wages, the companies could be eligible to claim as much as \$438,119 in credits. In FY 2014, businesses that submitted final applications created 435 new jobs in Maryland with total wages of \$30.7 million. These jobs are estimated to have generated 815 total jobs for \$2.5 million in annual tax revenues to the State.

JCTC FY 2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	435	\$30,745,870	\$1,633,720
Secondary	380	\$17,188,600	\$910,100
Total	815	\$47,934,460	\$2,543,820

DBED analysis using IMPLAN, Amounts in 2014 dollars

One Maryland Tax Credit (OneMD)

The One Maryland Tax Credit (OneMD) was enacted in 1999 to promote job creation and investment in qualified distressed communities, those counties with high unemployment and low per capita income compared to the rest of Maryland. To qualify for the credits, the business must create at least 25 new jobs and make capital expenditures. The jobs must be full-time, pay at least 150 percent of federal minimum wage and the business must be in a targeted industry sector.

In FY 2014, the Department issued Final Certificates of Eligibility to four companies. The businesses created 168 new jobs with a payroll of \$12.2 million. The 168 reported jobs generated 299 total jobs for \$973,120 in annual tax revenues to the State. The projects incurred an estimated \$18.0 million in eligible project and start-up costs. Project costs are the expenses incurred with the acquisition, construction, rehabilitation, installation, and equipping of an eligible project. Additional start-up costs are for the expense of moving a business from outside Maryland and the costs of furnishing and equipping a new location. These activities generate additional direct jobs to the State outside of the direct jobs but these are not included.

One Maryland Tax Credits FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	168	\$12,204,950	\$648,520
Secondary	131	\$6,134,320	\$324,600
Total	299	\$18,339,270	\$973,120

DBED analysis using IMPLAN, Amounts in 2014 dollars

The amount of tax credits actually claimed by the company is not known to the Department. However, based on the eligible project costs, the companies could be eligible to claim as much as \$18 million in credits. As a non-discretionary tax credit, the applicants must demonstrate that they have met job creation and investment targets prior to claiming the credits. Businesses with a large income tax liability and that create a large number of jobs use the credit more quickly than businesses that create a smaller number of jobs and have little or no tax liability. Businesses have 14 years to carry the credit forward, but they must maintain the jobs for that period. Because the refundable portion of the credit is limited to the payroll withholding of the qualified jobs, the businesses that create a large number of jobs will accelerate their ability to use their full credit. But those with smaller job numbers or lower wages (but above the \$10.88 minimum) may not be able to take the full tax credit.

Economic Development Opportunities Program Fund (Sunny Day)

The Economic Development Opportunities Program Fund, known as Sunny Day was enacted in 1988 to enable Maryland to act on extraordinary economic development proposals that required financial assistance beyond the capabilities of other state and local financing programs. Sunny Day funds are loaned, granted or invested to assist in the retention and expansion of existing business, or the establishment and attraction of new business in Maryland. In fiscal year 2014 there were no new projects approved or settled. One project, which settled and partially disbursed in fiscal year 2013, a \$9,500,000 conditional loan to Bechtel Group, Inc., received another disbursement totaling \$2,142,858 during the fiscal year. The continuing reduced level of activity under the program reflects the ongoing shift to usage of the MEDAAF program for deals that were historically done under this program, as well as the lack of budgeted funds for the program that would permit planning its use for future commitments.

Maryland Industrial Financing Authority (MIDFA)

The Maryland Industrial Development Financing Authority (MIDFA) was established by the Maryland General Assembly in 1965 to promote significant economic development by providing financing support to manufacturing, industrial and technology businesses located in or moving to Maryland. MIDFA stimulates private sector financing of economic development by issuing Bonds and providing credit enhancements that increase access to capital for small and mid-sized companies. The Program has increased its commitment to growth and development of small business by increasing outreach efforts to community banks.

The Fund does not provide direct loans, but provides insurance to transactions resulting in reduced credit risks, and enabling better terms from private financial institutions. During FY 2014, MIDFA settled six transactions, totaling \$15,879,000; insured for \$1,047,063. The projects include a startup brewery, a poultry house and a farm. The companies reported 15 new jobs and 32 retained jobs and project costs of \$5.2 million.

MIDFA FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	48	\$3,578,290	\$190,140
Secondary	62	\$2,741,950	\$143,520
Total	110	\$6,320,240	\$333,660

DBED analysis using IMPLAN, Amounts in 2014 dollars

Partnership for Workforce Quality (PWQ)

The Partnership for Workforce Quality Program (PWQ) was established by legislation in 1989 to assist Maryland companies to invest in training for employees. The funds enable companies to acquire new skills and technologies that have been identified by the business plan as a catalyst for growth and competitiveness in the industry. PWQ helps participating companies develop and implement training systems to improve business competitiveness and worker productivity, upgrade the skills of workers to accommodate new technologies and production processes, and promote employment stability. Funds are disbursed to eligible Maryland companies in the form of grants for up to 50 percent of qualified reimbursable direct cost of training.

In FY 2014, seven companies received training grants totaling \$33,089 with training costs of \$51,665 for the training of 161 employees. The companies also reported 19 new jobs and 119 retained jobs. The impact analysis below assumes that the 161 trainees represent retained jobs. Additional benefits are possible from providing improved skills and increasing productivity. Those jobs generate an additional 160 secondary jobs and total annual State revenues of \$1.2 million.

PWQ FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	161	\$14,716,120	\$781,900
Secondary	160	\$8,067,630	\$430,500
Total	321	\$22,783,750	\$1,212,400

DBED analysis using IMPLAN, Amounts in 2014 dollars

2. Job creation assistance to small and minority businesses and/or underserved areas

Another economic development priority is to target assistance to populations and areas that have been underserved compared to the rest of the region. Several of the Department's job creation programs, such as One Maryland tax credits are limited to those jurisdictions with higher levels of unemployment or lower incomes than the rest of the State. These targeted programs aim to ensure that economic development incentives are used broadly across the State. Unlike most economic development incentives, these programs may be used for non-basic industries such as retail which may not bring new spending into the State, but that support existing businesses and entrepreneurs that are in areas experiencing greater economic distress.

Community Development Block Grants (CDBG)

CDBG is a Federally-funded program that provides communities with resources to address a wide range of unique community development needs. Funds are allocated to States and Small Cities based on poverty and population statistics. Maryland's CDBG program is administered jointly by DHCD and the Department. Approximately 25 percent of the State's annual CDBG award is allocated to the Department for job creation. Under federal guidelines, the assistance must be targeted to low and moderate-income citizens in non-urban areas of the State. The Department's strategy for use of CDBG-ED funds emphasizes support of local government economic development initiatives that encourage commercial and industrial growth, workforce training, commercial revitalization, and development and growth of small businesses. Funds are disbursed to local jurisdictions in the form of a conditional grant. The local jurisdiction may lend the funds to a commercial enterprise or directly use the funds for infrastructure improvements needed by businesses or other eligible projects. Eligible projects include revolving loan funds that serve the needs of local businesses.

In FY 2014 grants totaling \$1,110,000 were awarded to the Town of Federalsburg, Town of New Windsor and Washington County. The Town of Federalsburg will create an economic development plan focused on community revitalization of the downtown business district, small business development, tourism, housing and the unique benefits of living and working in the town. The Town of New Windsor will conduct a feasibility study on the future use of the

Dielman Inn. CDBG funds awarded to Washington County will help facilitate the expansion of National Golden Tissue, a Hagerstown-based manufacturer of paper towels, bath and facial tissues and napkins.

Washington County reports 100 new jobs and 75 retained jobs from the National Golden Tissue expansion. There are no reported job impacts of the other two awards, as the funds go directly to the jurisdiction and not to a business. In some projects, CDBG funds are subsequently distributed in the form of a loan from the local government to a business. The jurisdictions report on the economic benefits for their communities. A full evaluation would include the impacts from these activities.

CDBG-ED FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	100	\$5,235,260	\$281,160
Secondary	111	\$5,843,600	\$313,780
Total	211	\$11,078,860	\$594,940

DBED analysis using IMPLAN, Amounts in 2014 dollars

Military Personnel and Service-Disabled Veterans No-Interest Loan Program

The Military Personnel and Service-Disabled Veterans No-Interest Loan Program (MPVOLP) was enacted in 2006 to assist with costs that result from the call to active duty for businesses owned by military reservists and National Guard members and for small businesses that employ such persons. The FY 2014 appropriation was \$300,000. For service-disabled veterans, businesses owned by service-disabled veterans, and businesses employing service-disabled veterans, the purposes of the program are to assist with the cost of making the home, motor vehicle, or place of employment of a service-disabled veteran accessible to individuals with disabilities, and to defray other necessary expenses incurred by the employer of a service-disabled veteran as a result of the veteran's disability, or by a service-disabled veteran or a business owned by a service-disabled veteran.

During fiscal year 2014, the Department settled one loan that was approved in the prior fiscal year for \$50,000. In addition, the Department approved eight new MPVOLP transactions in fiscal year 2014 that will utilize \$345,000 of program funds. These projects are anticipated to create and retain approximately 134 jobs and facilitate approximately \$624,000 in private capital investment. These projects are anticipated to settle in fiscal year 2015.

Military/Disabled Vets FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	7	\$300,340	\$15,720
Secondary	6	\$267,430	\$14,200
Total	13	\$567,770	\$29,920

DBED analysis using IMPLAN, Amounts in 2014 dollars

Maryland Small Business Development Financing Authority (MSBDFA)

The Maryland Small Business Development Financing Authority (MSBDFA) was enacted in 1978 to promote the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs. In 2001 the Maryland General Assembly modified the statute to include all small businesses that do not meet the credit criteria of financial institutions, and consequently are unable to obtain adequate business financing on reasonable terms through normal financing channels.

MSBDFA offers contract financing, surety bonds, guaranty funds and equity participation. During FY2014, 21 transactions were settled in the form of loans, guaranties and surety bonds, totaling \$3.7 million. The allocation by program is: nine transactions under the Contract Financing component equal to \$1.4 million, three transactions under the Guaranty Fund component requiring \$215,000 of guarantee support, and eleven EPIP transactions equal to \$1.9 million. The program did not settle a Surety Bond transaction in fiscal year 2014.

- The Contract Financing Program (CFP) provides financial assistance to eligible businesses in the form of direct loans and loan guaranties. The funds may be used for working capital and the acquisition of equipment needed to begin, continue, or complete work on contracts where a majority of funds are provided by a federal, state or local government agency or utilities regulated by the Public Service Commission. During FY 2014 nine loan transactions closed totaling \$1.38 million.
- Guaranty Fund Program (GFP) provides financial assistance to eligible businesses in the form of loan guaranties and interest rate subsidies for loans made by financial institutions. During FY 2014 there were three transactions under the Guaranty Fund component requiring \$215,000 of guarantee support.
- Surety Bond Program (SBP) assists eligible small businesses in obtaining bid, performance or payment bonds necessary to perform on contracts where the majority of funds are provided by a government agency, public utility company or private entity. During FY2014, one application was approved for \$1.0 million but did not settle during the fiscal year.
- Equity Participation Investment Program's (EPIP) purpose is to expand business ownership by socially and economically disadvantaged entrepreneurs and small businesses that do not meet the established credit criteria of financial institutions and are unable to obtain adequate business financing on reasonable terms through normal financing channels. Financial assistance is provided through the use of loans, loan guaranties, and equity investments. In FY2014 there were eleven EPIP transactions equal to \$1.9 million.

In total there were 23 settled MSBDFA transactions to 21 recipients in FY 2014 totaling \$3.722 million. The recipients reported 131 new jobs, 223 retained jobs and total project costs of \$25.57 million. These jobs are estimated to generate 39 additional jobs and total annual State revenues of \$1.4 million. Four of the recipients also received financing through the Video Lottery Terminal loan fund. The job impacts are included in the MSDFA impacts and excluded from the VLT impacts.

MSBDFA FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	354	\$17,139,660	\$920,630
Secondary	206	\$9,473,820	\$500,800
Total	560	\$26,613,480	\$1,421,430

DBED analysis using IMPLAN, Amounts in 2014 dollars

Video Lottery Terminal Fund (VLT)

The Video Lottery Terminal Fund (VLT) provides investment capital and loans to small, minority, and women-owned businesses in the State. The 2007 legislation establishing VLTs in Maryland created the Small, Minority, and Women-Owned Businesses Account. State Law generally requires that 1.5 percent of VLT proceeds be paid into the Account to be used by the Board of Public Works (BPW) to make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State, of which at least 50 percent must be allocated to such businesses in the jurisdictions and communities surrounding a video lottery facility. The Department is the designated administrator of the funds. Eligible Fund Managers oversee the distribution of video lottery terminal funds. In FY2014 there were three designated fund managers that received funds for the purpose of making loans to small, minority, and women-owned businesses in the State.

- The Anne Arundel County Economic Development Corporation (AAEDC) was allocated \$3,360,000 in the first round of funding. AAEDC settled 21 transactions totaling \$2,992,000.
- Meridian Management Group (MMG) was allocated \$3,500,000 in the first round of funding. MMG settled 25 transactions totaling \$4,059,500.
- Maryland Capital Enterprises (MCE) was allocated \$1,000,000 in the first round of funding. MCE settled 28 transactions totaling \$ 900,821.

The businesses supported by the VLT funds have an average of fewer than ten employees. The largest industry sectors supported are Professional Services, Retail Trade, Accommodation and Food Services, Other Services and Construction.

In total, the fund managers reported that 74 companies received funding totaling \$ 7,952,321 supporting 668 jobs. The direct jobs were adjusted to adjust for impacts reported to other programs. The impact therefore is 577 direct jobs, resulting in 863 total jobs and \$1.9 million in annual State revenue.

VLT FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	577	\$21,668,920	\$1,181,300
Secondary	287	\$13,827,210	\$732,230
Total	863	\$35,496,130	\$1,913,530

DBED analysis using IMPLAN, Amounts in 2014 dollars

3. Promoting startups and innovation through technology commercialization and investment

Another strategy for promoting economic growth is promoting technology innovation. Through the process of invention and commercialization, new economic activity is created that attracts investment and spending from outside the region. These kinds of activities may require different incentives, as the needs of technology startups differ from those of existing businesses. The goal is to trigger the higher wages and faster growth these activities stimulate. Maryland has a number of programs that are designed to take advantage of the State's unique opportunities in areas of technology and innovation. These include the State's incubators, TEDCo programs, university technology transfer, tax credits and direct investment. The goal is the commercialization of existing technology to create new economic activity and the creation of new startups. The core metric is generally related to the amount of investment leveraged, the number of startups nurtured, and "graduations" from incubators. The number of jobs created by the recipients is generally smaller than other programs initially, with greater potential for growth in later years.

Maryland Venture Fund (MVF)

The Maryland Venture Fund was established to make equity investments in new enterprises in the State and to stimulate venture capital investments in Maryland. MVF targets investments in early stage, high technology companies experiencing difficulties attracting private sector investment dollars. MVF activities are provided through five types of Program activity: the Enterprise Investment Fund, the Challenge Investment Program (CIP), the Enterprise Venture Capital Limited Partnerships (VCLP) Fund, the Maryland/Israel Development Fund and the FIPS Certification Grant Program.

The primary investment fund is the Enterprise Investment Fund, through which MVF makes equity and convertible debt investments in early stage, high technology firms that are seeking outside venture capital for their first influx of meaningful investment dollars. In addition to recycling funds earned from EIF's legacy investments, EIF is capitalized from the InvestMaryland Program in which approximately \$21 million was generated via the InvestMaryland online insurance premium tax credit auction, and the State Small Business Credit Initiative (SSBCI), a federal stimulus program from which MVF received approximately \$16 million. During FY 2014, EIF closed 38 transactions. Of these transactions, 32 were InvestMaryland investments totaling \$15,047,478, two SSBCI investments totaling \$1,150,000, two Enterprise investments totaling \$277,701 and two conversions of a CIP investment into EIF investments, totaling \$350,000.

MVF also is charged with investing a portion of the InvestMaryland dollars into other venture funds that in turn commit to invest that amount in Maryland companies. In FY2014, there were two such transactions totaling \$17 million. In addition, there were three InvestMaryland Challenge Grants totaling \$300,000.

In total the MVF closed 43 transactions totaling \$34,125,180. Companies receiving direct investments reported 1,051 new jobs and 224 retained jobs and total project expenditures of \$37 million. The direct jobs are estimated to have an average annual salary of \$85,786. Based on the high-wage nature of the jobs and the industries impacted, these jobs are estimated to generate 2,100 additional jobs and total annual State revenues of \$11 million.

MVF FY2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	1,275	\$109,377,350	\$5,751,620
Secondary	2,100	\$99,025,580	\$5,260,000
Total	3,375	\$208,402,930	\$11,011,620

DBED analysis using IMPLAN, Amounts in 2014 dollars

Biotechnology Investment Incentive Tax Credit (BIITC)

Maryland's Biotechnology Investment Tax Credit (BIITC) program provides income tax credits for investors that invest in Qualified Maryland Biotechnology Companies (QMBCs). This tax credit program was enacted in 2005 to offer incentives for investment in seed and early stage, privately-held biotech companies. In Fiscal Year 2014, program funding increased to \$10 million.

There were 23 QMBCs to receive investments through the program in calendar year 2013. The amount of Final Tax Credit Certificates awarded during the calendar year 2013 was \$8,923,036, leveraging over \$18 million in investment. The QMBCs reported a total of 162 Maryland-based employees, for an average of 7.6 employees per company. The average salary of company employees for the QMBCs was \$94,683. Half of the companies reported using the investment to hire a total of 25.5 new employees. The companies projected that they would create a total of 66 to 78 new jobs in the next 12 months, an average of 3 to 4 new jobs per company. The companies reporting revenue had total revenues of \$8.6 million in 2013, an increase of 236 percent over 2012.

BIITC Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	162	\$13,872,040	\$729,460
Secondary	256	\$13,557,430	\$727,120
Total	418	\$27,429,470	\$1,456,590

DBED analysis using IMPLAN, Amounts in 2014 dollars

As the BIITC is not primarily a job creation program, the evaluation includes the follow on activities leveraged by the investment. These include equipment purchases totaling \$530,860, clinical trials, research and development and developing products for market. Investments are used for securing intellectual property protection, marketing and other expenditures, including legal fees, business development, product manufacturing and fundraising. As the biotech companies succeed in producing commercial products, the impacts are expected to increase.

Biotechnology Development Awards

The Biotechnology Development program is administered by the Department's BioMaryland Center (BMC) to advance the movement of research and development toward commercialization. The BioMaryland Center annually awards grants of \$50,000-200,000 for translational research projects and biotechnology commercialization. Funding may be used for

capital expenses, services, or salaries. Companies have a repayment obligation of 3 percent of total company revenue (excluding grants and awards) annually, capped at 40 percent of the award per year, with a maximum payback of 2 times the award. The annual payback obligation extends for ten years following the completion of the funded project. Awards made to Universities only are repaid from royalty revenues and a percentage of the licensing fee.

Eight companies received grants in FY 2014 totaling \$1,453,326. The companies, all engaged in scientific research and development, reported retaining 28 jobs and project costs of \$4.4 million. The 28 reported jobs generated 74 total jobs in FY 2014 for \$257,070 in annual tax revenues to the State. The investment in the industry generates additional direct jobs to the State. A full evaluation of impacts would include an estimate of potential royalties and revenue repayment over a period of years. Success is measured in terms of company formations spun-out of university research and those companies securing outside funding for further research.

Biotech Grants FY 2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	28	\$2,339,510	\$123,020
Secondary	46	\$2,496,790	\$134,050
Total	74	\$4,836,300	\$257,070

DBED analysis using IMPLAN, Amounts in 2014 dollars

Research and Development (R&D) Tax Credit

The Research and Development Tax Credit (R&D Tax Credit) was enacted in 2000 to encourage businesses to maintain and increase R&D expenditures in the State. The R&D tax credit is not a tax credit that specifically targets job creation although it likely supports the increase in R&D jobs in the State.

The tax credit is limited on an annual basis. In FY 2014 it was limited to \$4 million for the Basic R&D Tax Credit and \$4 million for the Growth R&D Tax Credit. To qualify for the Growth R&D credit a company's current year R&D expenditures must exceed its average expenses over the last four years. The program has been oversubscribed since first enacted, so the businesses receive a pro-rated share of the total amount available for both the Basic and Growth tax credit.

The Department certified 202 businesses to receive credits for research conducted in Maryland for their tax year ending in 2012 (certified in 2013). The largest share of tax credits go to manufacturers, with nearly \$5 million of the \$8 million in total credits. The business reports the total number of jobs in Maryland and total number of jobs related to R&D, but they are not necessarily as a result of the R&D tax credit. The companies reported 15,076 Maryland employees engaged in R&D and a total of 78,457 Maryland employees. Manufacturers represent over half of the employees engaged in R&D.

Industry	Count of Recipients	Tax Credit Amount
Manufacturing	84	4,905,674
Information	18	1,261,592
Professional, Scientific, and Technical Services	65	1,234,318
Wholesale Trade	11	167,373
Administrative and Support Services	5	116,351
Construction	8	114,583
Other	11	200,109
Total	202	\$8,000,000

The businesses applying for the Maryland R&D tax credit incurred \$1.21 billion in research and development expenses in the tax year ending 2012, an increase of 5 percent over 2011. Of the 202 businesses that received certification, 68 percent increased their R&D expenses in 2012 over their average R&D expenses from the previous four years, and were therefore, were able to claim the Growth R&D Tax Credit. Total R&D spending in 2012 increased \$142 million over the 2008-2011 average.

Based on the amount of increase in R&D expenditures in the State, we estimate the program created 520 direct jobs, or 3 percent of the 15,076 Maryland employees engaged in R&D reported by the recipient companies. The total impact is 1,153 jobs and \$70.3 million in wages. The total State revenue from those jobs is \$3.7 million.

R&D Tax Credit FY 2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	520	\$38,579,640	\$2,049,980
Secondary	633	\$31,729,860	\$1,684,450
Total	1,153	\$70,309,500	\$3,734,430

DBED analysis using IMPLAN, Amounts in 2014 dollars

4. Economic diversification through targeted industry support

According to the [Council for Community and Economic Research \(C2ER\)](#) while many state economic development programs aim to provide incentives to businesses from any industry, a large proportion of state programs target their incentives at specific industries. These industries may be chosen based on the state's existing industries which are considered to have growth potential. Other times the target industries may have proven particularly valuable to the economies of other states, or are emerging industries perceived as having strong future growth potential. The specific industries most targeted by incentive programs are research and development, entertainment and visitor industries, transportation and logistics, agribusiness and food processing, and energy (renewable and fossil). Other industries frequently targeted by incentive programs include life sciences, information technology, defense and security and advanced manufacturing.

As with other states, many of Maryland's programs are intended to diversify the economy by focusing resources on the industry sectors that promote the greatest impact and opportunities for

growth. The focus is generally on industries that bring new spending into the State that would not otherwise occur. Examples include:

- Cybersecurity Investment Incentive Tax Credit
- Biotechnology Investment Incentive Tax Credit
- Cellulosic Ethanol Technology R&D Tax Credit
- Employer Security Clearances Costs Tax Credit
- Maryland Wineries and Vineyards Tax Credit

Maryland Film Production Activity Tax Credit (Film)

This is a tax credit for qualified direct costs of qualified film production activities including feature films and TV series. The program intent is to encourage film production activity in Maryland. A film production entity may receive a refundable income tax credit of up to 25 percent of qualified direct costs of a film production activity. A television series may receive a credit of up to 27 percent of qualified direct costs. The aggregate total of tax credits issued in a fiscal year cannot exceed \$7.5 million, except in FY 2014 which was funded at \$25 million.

Film production tax credits totaling \$17,091,048 in FY 2014 supported two productions in Maryland representing over \$86,927,636 of spending in the State. The productions reported that they hired 3,277 local crew (crew, technicians, cast and extras) and purchased goods or services from 2,847 Maryland businesses. An analysis of the detailed production expenditures was used to estimate the number of direct, full-time equivalent jobs generated by the projects.

Film Production Tax Credit FY 2014 Annual Impacts

	Jobs	Wages	Annual Revenues
Direct	651	\$25,082,620	\$1,367,400
Secondary	418	\$19,149,810	\$1,016,120
Total	1,069	\$44,232,430	\$2,383,520

DBED analysis using IMPLAN, Amounts in 2014 dollars

Evaluating Program Effectiveness

Program evaluation is one of the most vital steps in the economic development process. To assist policy makers and practitioners develop effective evaluation programs, the Pew Charitable Trusts and the Center for Regional Economic Competitiveness (CREC) launched the Business Incentive Initiative in 2014. Through a competitive process, Maryland was chosen as one of seven states to participate in the initiative. Together, Pew, CREC and a team of representatives from six states are working to:

- Identify effective ways to manage and assess economic development incentive policies and practices.
- Develop national standards and best practices that states can use to successfully gather and report data on economic development incentives.

Since May 2014, Pew and CREC staff have been working the Maryland team in collaboration with agency personnel, legislators, and various stakeholders, and have identified four specific opportunities for improvement:

1. Identifying key metrics and performance measures for incentives
2. Improving data collection, validation, and compliance procedures
3. Improving the quality of data reporting and data sharing
4. Providing detailed input for ongoing program evaluations mandated by statute

The Pew/CREC provided a baseline assessment report of Maryland which identified current strengths and areas for improvement³.

Program Compliance

Each year, the Department has cultivated many successful business relationships, some of which involve the agency providing some forms of tangible economic-development assistance. Each of the Department's assistance programs has fair and discernible requirements that are set forth and communicated to recipients at the inception of each incentivization. Over the course of the period covered by each incentive, the Department's program-management staff maintains regular contact with recipients to maintain records of their adherence to these requirements. This contact includes, but is not limited to, email, phone, and direct-mail requests for employment compliance reporting or tax information, payment reminders, and financial reviews. The Department strives to aid in and promote success for recipients, regardless of assistance type or business size. Often, that requires some discretion, encouragement, and accommodation from the Department.

Most of the compliance follow-up falls into one of two groupings of activities: discretionary and legal actions that can be exercised to attempt to remedy issues with an organization that fails to meet the requirements of an incentive program. While each program can be different, issues can be escalated from program-management staff to finance specialists or management; additional discussions with company representatives can occur to help remove obstacles to compliance and remedy problems; and obligations can be declared in default, if necessary.

On a case-by-case basis, the Department's program-management staffs explore all potential avenues for assistance and do everything possible to remedy individual business issues, such as failure to meet program requirements. Appendix E summarizes, at a high level, the triggers and remedial actions that can be taken to bring program-recipients into compliance, should the need arise. There have been some situations in which recipients have been unwilling to work with the Department on a plan to get back on track, or were too far beyond the scope of our assistance; however, these are few and far between. It is common practice to closely monitor and coach businesses to prevent this, and make adjustments to their specific requirements if needed. There are some rigid legal standards, more commonly with tax credits, but for the most part program-management staff is able to use discretion in instances of late and missed payments or specific employment requirements before resorting to more serious consequences. For example, program staff is able to make accommodations such as restructuring payment plans rather than sending the account to collections.

³ Assessment of Maryland Business Incentives Policy and Practices, The Pew Charitable Trusts, November 2014

Because very few incentive recipients' cases are identical, there is some latitude in the processes for assisting companies in meeting program requirements and obligations. The Department is committed to assure recipients of economic-development incentives have the benefit of a full range of applicable remedies in the pursuit of a successful business outcome and strong working relationships.

Appendix A: FY 2014 DBED Finance Tracker Incentives Report

	Recipient	Program detail	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	New Jobs	Retained Jobs
1	20/20 GeneSystem, Inc.	Biotech Investment Incentive			\$541,750			
2	Alper Biotech, LLC	Biotech Investment Incentive			\$187,500			
3	American Gene Technologies International Inc.	Biotech Investment Incentive			\$500,000			
4	Animalgesic Laboratories, Inc. (formerly Bamvet Laboratories, Inc.)	Biotech Investment Incentive			\$676,188			
5	BeneVir Biopharm, Inc.	Biotech Investment Incentive			\$25,000			
6	BioMarker Strategies, LLC	Biotech Investment Incentive			\$62,500			
7	Cerecor Inc.	Biotech Investment Incentive						
8	Clear Guide Medical, LLC	Biotech Investment Incentive			\$87,500			
9	ConverGene LLC	Biotech Investment Incentive			\$375,000			
10	Creatv MicroTech, Inc.	Biotech Investment Incentive			\$215,000			
11	Diagnostic Biochips, Inc.	Biotech Investment Incentive			\$75,000			
12	DioGenix	Biotech Investment Incentive			\$743,500			
13	Fyodor Biotechnologies, Inc.	Biotech Investment Incentive						
14	Gliknik, Inc.	Biotech Investment Incentive			\$1,500,000			
15	GrayBug	Biotech Investment Incentive			\$577,500			
16	InnoVital Systems, Inc.	Biotech Investment Incentive			\$92,500			
17	Noxilizer, Inc.	Biotech Investment Incentive			\$1,499,999			
18	Plant Sensory Systems, LLC	Biotech Investment Incentive			\$57,500			
19	Plasmonix, Inc.	Biotech Investment Incentive			\$187,500			
20	Rafagen, Inc.	Biotech Investment Incentive			\$37,500			
21	Sequella, Inc.	Biotech Investment Incentive			\$454,100			
22	Synergy America, Inc.	Biotech Investment Incentive			\$137,500			
23	Xcision Medical Systems, LLC	Biotech Investment Incentive			\$890,000			
24	John Hopkins University (Dr. C	Biotech Commercialization	\$59,000			\$59,000.00		
25	Harpoon Medical, Inc.	Biotech Commercialization	\$200,000			\$200,000.00		
26	Clear Guide Medical, LLC	Biotech Commercialization	\$194,750			\$370,000.00		6
27	Brain Sentry Inc	Biotech Commercialization	\$199,576			\$401,249.00		7
28	Cordex Systems, Inc.	Biotech Commercialization	\$200,000			\$498,500.00		3
29	Vasoptic Medical Inc.	Biotech Commercialization	\$200,000			\$2,000,000.00		3
30	Town of New Windsor	CDBG Cond. Grant	\$40,000			\$42,000		

Appendix A: FY 2014 DBED Finance Tracker Incentives Report

	Recipient	Program detail	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	New Jobs	Retained Jobs
31	Federalsburg, Town of	CDBG Cond. Grant	\$50,000			\$60,000		
32	Washington County, County Comm	CDBG Cond. Grant	\$1,020,000			\$11,920,000	100	75
33	Second in Command Productions, LLC / VEEP (Season 2)	Film Tax Credit			\$5,415,019	\$23,246,730.00		
34	Knight Takes King Productions, LLC / House of Cards (Season 1)	Film Tax Credit			\$11,676,029	\$63,680,906.00		
35	Bob's Discount Furniture, LLC	Job Creation Tax Credit			\$17,119		14	
36	KEYW, Inc.	Job Creation Tax Credit			\$48,000		48	
37	Millennial Media, Inc.	Job Creation Tax Credit			\$81,000		81	
38	TCC, LLC	Job Creation Tax Credit			\$25,000		25	
39	Vocus, Inc.	Job Creation Tax Credit			\$191,000		191	
40	Zenimax Media, Inc.	Job Creation Tax Credit			\$76,000		76	
41	Independent Can Company	MEDAAF-2 Cond. Loan	\$535,000			\$770,000	25	221
42	Social & Scientific Systems, I	MEDAAF-2 Cond. Loan	\$650,000			\$1,300,000		300
43	Smiths Detection Inc.	MEDAAF-2 Cond. Loan	\$630,000			\$1,500,000	100	309
44	Precision for Medicine Holding	MEDAAF-2 Cond. Loan	\$750,000			\$2,420,000	170	80
45	Sodexo, Inc.	MEDAAF-2 Cond. Loan	\$1,941,463			\$2,733,519	50	547
46	HP White Laboratory, Inc.	MEDAAF-2 Cond. Loan	\$100,000			\$3,000,000	38	30
47	Retail Services & Systems, Inc	MEDAAF-2 Cond. Loan	\$850,000			\$5,000,000	150	300
48	Rohde & Schwarz, USA Inc.	MEDAAF-2 Cond. Loan	\$300,000			\$12,000,000	17	108
49	Amick Farms LLC	MEDAAF-2 Cond. Loan	\$150,000			\$13,000,000	50	770
50	Meso Scale Diagnostics, Llc	MEDAAF-2 Cond. Loan	\$1,500,000			\$18,250,000	119	309
51	Choice Hotels International	MEDAAF-2 Cond. Loan	\$1,440,000			\$19,041,000	75	375
52	EA Engineering, Science, and T	MEDAAF-2 Cond. Loan	\$200,000			\$27,000,000	40	198
53	Governor's Hall Study/MEDCO	MEDAAF-3 Cond. Grant	\$55,000			\$55,000		
54	Maryland Stadium Authority	MEDAAF-3 Cond. Grant	\$49,000			\$70,000		
55	Montgomery County	MEDAAF-3 Cond. Grant	\$46,713			\$150,000		
56	General Motors LLC	MEDAAF-3 Cond. Grant	\$1,956,000			\$110,000,000	65	65
57	Wicomico County/Piedmont	MEDAAF-3 Cond. Loan	\$426,448			\$852,896		150
58	Inner Harbor/MEDCO	MEDAAF-3 Grant	\$65,000			\$65,000		
59	Washington County	MEDAAF-3 One MD Cond. Loan	\$8,600,000			\$86,000,000	440	1340
60	Denton, Town of	MEDAAF-3 One MD Grant	\$48,870			\$48,870		

Appendix A: FY 2014 DBED Finance Tracker Incentives Report

	Recipient	Program detail	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	New Jobs	Retained Jobs
61	Hagerstown, City of	MEDAAF-4 Cond. Grant	\$150,000			\$225,000		
62	Tri-County Council for Western	MEDAAF-4 Cond. Grant	\$250,000			\$375,000		
63	Baltimore County, Maryland	MEDAAF-4 Cond. Grant	\$250,000			\$500,000		
64	Charles County, County Commiss	MEDAAF-4 Cond. Grant	\$250,000			\$500,000		
65	Baltimore Development Corporat	MEDAAF-4 Cond. Grant	\$250,000					
66	Jubilee Baltimore	MEDAAF-5 Arts & Ent. Cond. Grant	\$250,000			\$9,000,000		
67	2600 N. Howard Street LLC	MEDAAF-5 Brownfield Cond. Grant	\$100,000			\$3,800,000		
68	Key Highway Associates, LLC	MEDAAF-5 Brownfield Cond. Grant	\$115,000			\$13,000,000		
69	Toinette Thomas t/a Tiny Tots	MEDAAF-5 Day Care Special Loan	\$10,000			\$10,000	1	5
70	Successful Children Learning C	MEDAAF-5 Day Care Special Loan	\$78,761			\$279,494	8	5
71	Indigenous Intellegence, LLC	MIDFA Conventional Insurance	\$50,000	\$25,000		\$50,000	15	5
72	Denizens Brewing Company	MIDFA Conventional Insurance	\$500,000	\$250,000		\$825,000		
73	Little Chicks, Llc	MIDFA Conventional Insurance	\$850,000	\$249,900		\$1,098,000		4
74	Elkridge Coating Technologies,	MIDFA Conventional Insurance	\$1,000,000	\$500,000		\$1,200,000		17
75	Murphy, Robert & Rose	MIDFA Conventional Insurance	\$1,679,000	\$22,163		\$2,027,000		6
76	McDonogh School, Inc.	MIDFA Tax Exempt Bonds	\$11,800,000					
77	BSH Management Services, LLC	Military/Disabled Veterans	\$50,000			\$50,000	2	5
78	KR Contracting, Inc.	MSBDFA Contract Financing Direct	\$50,000			\$50,000	10	30
79	Laura Woods dba Maryland Quart	MSBDFA Contract Financing Direct	\$50,000			\$50,000	2	2
80	Cyber Security Engineering Ass	MSBDFA Contract Financing Direct	\$60,000			\$60,000	2	1
81	CRWI, LLC	MSBDFA Contract Financing Direct	\$100,000			\$100,000	7	5
82	MK Catering, Inc.	MSBDFA Contract Financing Direct	\$100,000			\$100,000		20
83	Unified Solutions Services, LL	MSBDFA Contract Financing Direct	\$120,000			\$120,000	6	3
84	J.K. Datta Consultants, Inc.	MSBDFA Contract Financing Direct	\$200,000			\$200,000	10	8
85	Superior Technology Solutions,	MSBDFA Contract Financing Direct	\$200,000			\$200,000	3	21
86	Securemedy, Inc.	MSBDFA Contract Financing Direct	\$500,000			\$1,670,000	20	80
87	Bell Enterprises, LLC dba GoWa	MSBDFA EPIP Franchise	\$50,000			\$50,000	6	3
88	Tailored by Design, LLC dba Ta	MSBDFA EPIP Franchise	\$55,000			\$140,000	3	
		MSBDFA EPIP Other Small						
89	Three Sixty Motor Express	Business	\$72,000			\$80,000	1	
		MSBDFA EPIP Other Small						
90	K. Dixon Architecture, PLLC	Business	\$100,000			\$100,000	5	1

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	Recipient	Program detail	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	New Jobs	Retained Jobs
91	New City Construction, LLC	MSBDFA EPIP Other Small Business	\$135,000			\$135,000		8
92	Waterland Fisheries, Inc.	MSBDFA EPIP Other Small Business	\$350,000			\$350,000	2	12
93	TextBehind, LLC	MSBDFA EPIP Other Small Business	\$200,000					
94	Mainstreet Technologies, Inc.	MSBDFA EPIP/InvestMD LLC	\$200,000			\$400,000	25	25
95	TextBehind, LLC	MSBDFA EPIP/InvestMD LLC	\$200,000			\$400,000	3	
96	OGOS Energy, LLC	MSBDFA EPIP/InvestMD LLC	\$350,000			\$20,000,000	7	
97	Mainstreet Technologies, Inc.	MSBDFA EPIP/InvestMD LLC	\$200,000					
98	Still I Rise dba Women's Welln	MSBDFA Guaranty Fund	\$270,000	\$135,000		\$1,050,000	10	3
99	Lee- ATM, LLC	MSBDFA/SSBCI	\$60,000	\$30,000		\$60,000	1	1
100	Gourmet Pizza of Cheverly, LLC	MSBDFA/SSBCI	\$100,000	\$50,000		\$260,000	8	
101	ClickMedix, LLC	MVF Challenge/InvestMD	\$100,000			\$100,000	14	10
102	Healthify, Inc.	MVF Challenge/InvestMD	\$100,000			\$100,000	81	5
103	Luminal, Inc. (formerly Lume S	MVF Challenge/InvestMD	\$100,000			\$100,000		5
104	Pervacio, Inc.	MVF Enterprise	\$27,701					
105	Theranostics Health, Inc.	MVF Enterprise	\$250,000					
106	Salsa Labs, Inc.	MVF Enterprise/SSBCI	\$1,000,000			\$5,000,000	121	
107	Koolspan, Inc.	MVF Enterprise/SSBCI	\$150,000					
108	EnerTech Capital Partners IV,	MVF InvestMD I VCLP	\$7,000,000			\$7,000,000		
109	Foundation Medical Partners Fu	MVF InvestMD I VCLP	\$10,000,000			\$160,000,000		
110	SocialToaster, Inc.	MVF InvestMD II Enterprise	\$200,000			\$200,000		
111	BioDatomics, LLC	MVF InvestMD II Enterprise	\$99,997			\$349,997	74	3
112	CoFoundersLab, Inc.	MVF InvestMD II Enterprise	\$75,000			\$350,000	40	7
113	CytImmune Sciences, Inc.	MVF InvestMD II Enterprise	\$200,000			\$400,000	19	3
114	Synapsify, Inc.	MVF InvestMD II Enterprise	\$145,000			\$650,000	96	9
115	Mobile System 7, Inc.	MVF InvestMD II Enterprise	\$400,000			\$750,000	140	8
116	Cellphire, Inc.	MVF InvestMD II Enterprise	\$1,000,000			\$1,000,000	15	11
117	SocialToaster, Inc.	MVF InvestMD II Enterprise	\$600,000			\$1,000,000	7	18
118	ReelGenie, LLC	MVF InvestMD II Enterprise	\$150,000			\$1,185,000	8	4
119	6th Street Inc.	MVF InvestMD II Enterprise	\$1,000,000			\$1,500,000	40	9

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	Recipient	Program detail	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	New Jobs	Retained Jobs
120	GrayBug, LLC	MVF InvestMD II Enterprise	\$300,000			\$1,500,000	5	3
121	Lume Systems, Inc.	MVF InvestMD II Enterprise	\$200,000			\$1,700,000	4	
122	Triumfant, Inc.	MVF InvestMD II Enterprise	\$500,000			\$2,500,000	171	14
123	Zeuss, Inc.	MVF InvestMD II Enterprise	\$1,500,000			\$2,500,000	28	5
124	3Clogic, Inc.	MVF InvestMD II Enterprise	\$100,000			\$2,900,000		
125	Cytomedix, Inc.	MVF InvestMD II Enterprise	\$500,000			\$3,000,000	1	55
126	Weather Analytics, LLC	MVF InvestMD II Enterprise	\$500,000			\$3,000,000	37	
127	BrainScope Company, Inc.	MVF InvestMD II Enterprise	\$650,000			\$3,500,000	25	22
128	Koolspan, Inc.	MVF InvestMD II Enterprise	\$400,000			\$3,700,000	125	33
129	Bambeco LLC	MVF InvestMD II Enterprise	\$100,000					
130	Bambeco LLC	MVF InvestMD II Enterprise	\$100,000					
131	Bambeco LLC	MVF InvestMD II Enterprise	\$2,050,000					
132	BrainScope Company, Inc.	MVF InvestMD II Enterprise	\$100,000					
133	BrainScope Company, Inc.	MVF InvestMD II Enterprise	\$300,000					
134	CES Acquisition Corp.	MVF InvestMD II Enterprise	\$77,482					
135	Luminal, Inc. (formerly Lume S	MVF InvestMD II Enterprise	\$1,400,000					
136	Maxtena, Inc.	MVF InvestMD II Enterprise	\$250,000					
137	Plasmonix, Inc.	MVF InvestMD II Enterprise	\$150,000					
138	Pulse8, LLC	MVF InvestMD II Enterprise	\$150,000					
139	Pulse8, LLC	MVF InvestMD II Enterprise	\$1,500,000					
140	Tales2Go, Inc.	MVF InvestMD II Enterprise	\$150,000					
141	Tales2Go, Inc.	MVF InvestMD II Enterprise	\$200,000					
142	Bambeco LLC	MVF SSBCI/CONV/Enterprise	\$100,000					
143	BrainScope Company, Inc.	MVF SSBCI/CONV/Enterprise	\$250,000					
144	Choptank Transport	One Maryland Tax Credit			\$1,556,536	\$1,556,536	45	
145	Dean Maryland, Inc.	One Maryland Tax Credit			\$5,500,000	\$5,500,000	26	
146	Lieber Institute	One Maryland Tax Credit			\$5,500,000	\$5,500,000	45	
147	Under Armour	One Maryland Tax Credit			\$5,500,000	\$5,500,000	52	
148	RTR Technologies, LLC	Partnership for Workforce Quality	\$4,095			\$2,750	1	3
149	Tate Andale, Inc.	Partnership for Workforce Quality	\$3,994			\$3,994		
150	Schroeder Industries, Llc	Partnership for Workforce Quality	\$5,000			\$5,000	7	68

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	Recipient	Program detail	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	New Jobs	Retained Jobs
151	Triton Metals, Inc.	Partnership for Workforce Quality	\$5,000			\$9,921	10	20
152	Berry Plastics Corporation	Partnership for Workforce Quality	\$5,000			\$10,000		15
153	Temple Allen Industries	Partnership for Workforce Quality	\$5,000			\$10,000		11
154	Viskon Aire Corp.	Partnership for Workforce Quality	\$5,000			\$10,000	1	2
155	AsclepiX Therapeutics, LLC	Translational Research (TR)	\$200,000			\$400,000.00		3
156	Otomagnetics, LLC	Translational Research (TR)	\$200,000			\$500,000.00		6
157	Blue Flame	VLT/Anne Arundel	\$75,000					1
158	Plak That, LLC	VLT/Anne Arundel	\$88,750					1
159	Cwist	VLT/Anne Arundel	\$100,000					2
160	Lightpoint Security (Woman Owned)	VLT/Anne Arundel	\$250,000					2
161	AMJ Recovery, Inc	VLT/Anne Arundel	\$200,000					3
162	i-Lighting, LLC	VLT/Anne Arundel	\$150,000					3
163	SameGrain, Inc. Advanced Threat Analysis (ATA)	VLT/Anne Arundel	\$250,000					3
164	(Veteran)	VLT/Anne Arundel	\$50,000					4
165	CaseyCo, LLC	VLT/Anne Arundel	\$64,000					6
166	McKenzie Christopher Assoc., Inc.	VLT/Anne Arundel	\$50,000					6
167	Milestone US, Inc.	VLT/Anne Arundel	\$200,000					6
168	Miniscule, LLC	VLT/Anne Arundel	\$50,000					6
169	Zeroed-In Technologies, LLC	VLT/Anne Arundel	\$250,000					6
170	Joy Kids Learning Center	VLT/Anne Arundel	\$58,250					7
171	Results Universe	VLT/Anne Arundel	\$171,000					9
172	The Brick House, LLC (Veteran Owned)	VLT/Anne Arundel	\$25,000					10
173	HallCentral dba Roosters (Veteran)	VLT/Anne Arundel	\$150,000					11
174	Biomedica Management	VLT/Anne Arundel	\$250,000					12
175	Mezcal Restaurant	VLT/Anne Arundel	\$50,000					25
176	Davis' Pub - 643DP, Inc.	VLT/Anne Arundel	\$245,000					38
177	Barn 34/Duck Cove, Inc.	VLT/Anne Arundel	\$265,000					40
178	Taxi, Etc.	VLT/Maryland Capital	\$45,000					
179	Esther's Hair Salon	VLT/Maryland Capital	\$15,000					1
180	Precious Boutique	VLT/Maryland Capital	\$3,000					1

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	Recipient	Program detail	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	New Jobs	Retained Jobs
181	Symmetry Massage	VLT/Maryland Capital	\$13,000					1
182	The Green House, Inc.	VLT/Maryland Capital	\$15,000					1
183	Undercover Cleaning	VLT/Maryland Capital	\$10,000					1
184	Undercover Cleaning	VLT/Maryland Capital	\$3,000					1
185	19th Hole OC Golf Package	VLT/Maryland Capital	\$60,000					2
	Green Sage, LLC dba Soup and							
186	Salad	VLT/Maryland Capital	\$10,000					2
187	No Pins Framing and Presentations	VLT/Maryland Capital	\$40,000					2
	Nurse Professionals Home Care &							
188	Staffing, LLC	VLT/Maryland Capital	\$48,000					2
189	SneakerThirst	VLT/Maryland Capital	\$4,999					2
190	Sprout Group, LLC	VLT/Maryland Capital	\$55,000					2
191	The Berlin Coffee House, LLC	VLT/Maryland Capital	\$20,525					2
192	New Horizons	VLT/Maryland Capital	\$20,000					3
193	Nex Stylz, LLC dba Deucez	VLT/Maryland Capital	\$15,000					3.5
	MRS, Inc. dba Kent Island Crab							
194	Cakes	VLT/Maryland Capital	\$50,000					4
195	Polaris Recovery Center	VLT/Maryland Capital	\$50,000					4
196	Station North Arts Café Gallery	VLT/Maryland Capital	\$3,500					4
	Seaside Counseling & Wellnes							
197	Ctr, LLC	VLT/Maryland Capital	\$30,000					5
198	Birdland Sports Bar & Grill	VLT/Maryland Capital	\$66,800					6
199	Hubba's BBQ	VLT/Maryland Capital	\$4,999					6
200	Ocean Breeze Café, LLC	VLT/Maryland Capital	\$100,000					6
201	Stages Early Childhood	VLT/Maryland Capital	\$49,999					6
202	Property Management, Inc.	VLT/Maryland Capital	\$50,000					7
203	Gordshell's Holdings, LLC	VLT/Maryland Capital	\$50,000					10
204	Memsahib Restaurant	VLT/Maryland Capital	\$49,999					10
205	Reynolds Tavern & Restaurant	VLT/Maryland Capital	\$18,000					18
206	Brews Up, Inc.	VLT/MMG	\$62,000					2
207	Capitol Concrete & Landscape, LLC	VLT/MMG	\$55,000					2
	Donna Stecker-Premier Safety							
208	Solutions	VLT/MMG	\$55,000					2

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	Recipient	Program detail	Approved Loan Amount	Loan Guarantee Amount	Tax Credit Amount	Project Costs	New Jobs	Retained Jobs
209	Oluwafemi Ijiti dba PostNet of Annapolis	VLT/MMG	\$65,000					2
210	21st Century Expo Group, Inc.	VLT/MMG	\$35,000					4
211	Davis Limousine and Sedan Service Laura Woods dba Maryland	VLT/MMG	\$130,000					4
212	Quartermaster	VLT/MMG	\$150,000					4
213	Grace Management	VLT/MMG	\$150,000					5
214	Copiosity, LLC	VLT/MMG	\$50,000					6
215	Joyful Bath Company, LLC	VLT/MMG	\$250,000					6
216	Miles Ahead Entertainment, Inc.	VLT/MMG	\$250,000					6
217	OGOS Energy, LLC	VLT/MMG	\$150,000					6
218	Hillen Tire & Auto Service, Inc.	VLT/MMG	\$100,000					8
219	Quarry Products Unlimited, Inc.	VLT/MMG	\$150,000					8
220	Mechanical Solutions, LLC	VLT/MMG	\$150,000					10
221	Avaris Concepts, LLC	VLT/MMG	\$350,000					12
222	Teavolve 2, LLC	VLT/MMG	\$150,000					12
223	CRWI, LLC	VLT/MMG	\$110,000					15
224	STAR, Associates, Inc.	VLT/MMG	\$27,500					15
225	Mallow Crunchies/The Mallow Bar	VLT/MMG	\$400,000					22
226	DuraBante, LLC	VLT/MMG	\$250,000					24
227	MK Catering, Inc.	VLT/MMG	\$150,000					29
228	AvDyne Aeroservices, LLC	VLT/MMG	\$320,000					30
229	Mainstreet Technologies, Inc.	VLT/MMG	\$100,000					50
230	Mahogany, Inc. 1	VLT/MMG	\$400,000					70

Appendix B: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2013

Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
1 3E Technologies International, Inc.	1,927	16,861	18,788
2 AAI Corporation	43,685	46,687	90,371
3 Action Products, Inc.	942	0	942
4 Advanced Biotechnologies, Inc.	807	0	807
5 Aeroflex/Weinschel, Inc.	3,889	1,902	5,791
6 AES Electrical, Inc., dba Freestate Electric & TA Beach	4,442	0	4,442
7 Akonni Biosystems, Inc.	3,293	0	3,293
8 Alliant Techsystems, Inc	37,356	2,597	39,952
9 Ameen Oluajayi	0	2,018	2,018
10 American Infrastructure, Inc.	4,680	14,245	18,925
11 Amgen, Inc.	50,617	0	50,617
12 Amplimmune, Inc.	21,120	94,552	115,672
13 AOL Advertising, Inc.	26,419	0	26,419
14 Arbitron, Inc.	20,829	2,485	23,314
15 ARINC, Incorporated	45,636	14,606	60,242
16 Art Campbell LLC	38	0	38
17 Ashland, Inc.	939	832	1,770
18 Asset Acceptance Capital Corp.	1,801	815	2,616
19 Astellas US Holding, Inc.	1,557	73,001	74,558
20 AT&T Mobility Services, LLC	2,289	15,326	17,615
21 AT&T Services, Inc.	13,890	12,807	26,697
22 Ath Group, Inc.	1,472	3,291	4,763
23 Athena Environmental Sciences Inc.	134	872	1,005
24 basys, Inc.	7,212	435	7,647
25 Becton Dickinson and Company	165,256	242,704	407,960
26 Benevir Biopharm, Inc.	0	279	279
27 Bentley Systems, Incorporated	3,758	546	4,304
28 Bill Me Later, Inc.	7,373	77,863	85,237
29 Boland Trane Services, Inc.	5,638	9,848	15,486
30 Bowles Fluidics Corporation	4,165	0	4,165
31 Carleton Technologies, Inc.	1,762	4,079	5,841
32 Carter Control Systems, Inc.	442	2,429	2,872
33 Castle Communications, Inc.	1,917	1,034	2,951
34 Central Wholesalers, Inc.	344	1,420	1,764
35 Cerecor, Inc.	2,081	21,629	23,710
36 Chesapeake Defense Services, Inc.	511	3,300	3,811

Appendix B: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2013

Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
37 Colonial Metals, Inc.	8,290	15,875	24,165
38 Comtech Mobile Datacom Corp.	1,729	0	1,729
39 Connections Education, Inc.	7,985	10,164	18,149
40 Conquest Systems, Inc.	424	275	698
41 Consortium Health Plans, Inc.	3,458	7,480	10,938
42 CoreLogic, Inc. & Subs.	5,041	0	5,041
43 CSA Medical, Inc.	9,877	37,088	46,965
44 Custom Cable Solutions, Inc	1,101	0	1,101
45 Custom Direct, LLC	154	0	154
46 CV Services Group, LP	3,026	6,457	9,483
47 Cytec Engineered Materials, Inc.	10,959	0	10,959
48 Dairy Maid Dairy, Inc.	3,056	0	3,056
49 Dixie Construction Company, Inc.	2,575	6,943	9,519
50 DSM Pharmaceutical, Inc.	27,048	0	27,048
51 EA Engineering, Science and Technology, Inc.	5,124	0	5,124
52 East Coast Cable Solutions, Inc.	42	741	783
53 Ecrion Software, Inc.	494	2,577	3,071
54 Electromet Corporation	1,745	0	1,745
55 Eli Lilly and Company	36,447	3,275	39,722
56 EMC Corporation	12,970	0	12,970
57 EMD Serono, Inc.	1,160	320	1,480
58 Emergent Biosolutions Inc. & Subsidiaries	26,782	76,720	103,503
59 Energy Concepts Company, LLC	4,210	3,757	7,968
60 EnergySolutions, Inc. & Subsidiaries	3,913	0	3,913
61 eOriginal, Inc.	2,310	1,781	4,090
62 Eurotech, Inc.	4,247	0	4,247
63 Evapco, Inc.	27,809	7,802	35,611
64 Excella Consulting, Inc.	1,053	4,694	5,747
65 Fairchild Controls Corporation	23,010	0	23,010
66 Fidelis Security Systems, Inc.	6,596	6,985	13,581
67 Fil-Tec, Inc.	851	8,270	9,122
68 Fina Biosolutions, LLC	1,004	1,554	2,558
69 Fiserv Solutions, Inc.	1,177	26,717	27,894
70 Flowrox, Inc.	1,302	1,594	2,896
71 Futurewei Technologies, Inc.	412	527	939
72 Fyodor Biotechnologies, Inc.	299	4,427	4,726
73 Gallagher & Associates, LLC	3,237	5,126	8,362

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	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
74	General Dynamics Advanced Information Systems, Inc.	1,654	15,936	17,590
75	General Dynamics Fidelis Cybersecurity Solutions, Inc.	3,631	1,742	5,372
76	General Dynamics Robotic Systems, Inc.	5,558	6,454	12,013
77	Gold Crust Baking Company, Inc.	1,593	9,828	11,421
78	Grunley Construction Company, Inc.	1,641	852	2,493
79	Honeywell International, Inc.	1,189	0	1,189
80	Hughes Network Systems, LLC	137,563	0	137,563
81	Human Genome Sciences, Inc.	64,694	223,528	288,222
82	Immuno Probe, Inc.	768	1,462	2,230
83	Increditek, Inc.	1,403	0	1,403
84	Inovalon, Inc.	8,283	39,929	48,212
85	Intelligent Devices, Inc.	1,013	0	1,013
86	Intelligrated Systems, LLC	3,959	19,958	23,917
87	Interactdata, LC, Trading as VMCSelect	1,245	862	2,107
88	International Business Machines Corporation	16,003	0	16,003
89	Interstate Holding, Inc.	6,665	0	6,665
90	IQ Solutions, Inc.	1,429	0	1,429
91	Jason Pharmaceuticals, Inc.	10,882	29,648	40,530
92	Javelina Software, LLC	1,036	967	2,003
93	JLG Industries, Inc.	5,779	79,900	85,679
94	Kaydon Ring and Seal, Inc.	1,832	1,501	3,332
95	Kirlin Holdings, LLC	16,331	3,221	19,552
96	Knight Sky Consulting & Associates, LLC	653	3,591	4,244
97	Knorr Brake Company, LLC	308	789	1,096
98	KR Acquisition Corporation	1,731	0	1,731
99	Kratos Technology & Training Solutions, Inc.	11,690	0	11,690
100	L-3 Communication Holdings, Inc. & Subsidiaries	3,610	17,890	21,500
101	Life Technologies Corporation	29,919	45,917	75,835
102	Lockheed Martin Corporation	185,581	59,366	244,947
103	Mack Trucks, Inc.	184,946	0	184,946
104	MacroGenics, Inc.	25,402	55,250	80,651
105	Marvell Semiconductor, Inc.	1,433	0	1,433

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	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
106	Maryland-American Water Company	24	10	34
107	McCormick and Co., Inc.	127,333	55,704	183,036
108	Medimmune, LLC	619,837	877,259	1,497,096
109	Meso Scale Diagnostics, LLC	29,356	33,991	63,347
110	Micros Systems, Inc	26,180	17,381	43,561
111	Millennium Inorganic Chemicals, Inc.	40,003	28,416	68,419
112	Miltec Corporation	1,459	3,841	5,299
113	Mindgrub Technologies, LLC	206	5,215	5,420
114	Morningstar PV Controllers Corp, aka Morningstar Corporation	1,559	0	1,559
115	MPI Labels of Baltimore, Inc.	210	1,551	1,761
116	Multi-Comp, Inc.	753	0	753
117	Nemetschek Vectorworks, Inc.	4,291	6,043	10,334
118	Northrop Grumman Systems Corporation	416,743	0	416,743
119	Notable Solutions, Inc.	0	3,009	3,009
120	Novartis Pharmaceuticals Corporation	5,264	0	5,264
121	Novo Nordisk, Inc.	4,758	3,978	8,737
122	Noxell Corporation	17,400	26,166	43,567
123	Noxilizer, Inc.	5,677	0	5,677
124	Nurad Technologies, Inc.	6,110	0	6,110
125	Nutramax Laboratories, Inc.	8,471	0	8,471
126	Nutramax Manufacturing, Inc.	1,361	153	1,513
127	Nutrica North America, Inc.	6,682	1,485	8,167
128	Opgen, Inc.	8,040	829	8,870
129	Opnet Technologies, Inc.	43,378	55,594	98,972
130	Orbit Logic Incorporated	40	2,592	2,633
131	Osiris Therapeutics, Inc.	14,175	0	14,175
132	Otsuka America, Inc.	59,756	0	59,756
133	Pall Filtration and Separation Group, Inc.	2,675	4,788	7,463
134	Paramount Die Company, Inc.	3,113	3,204	6,318
135	Patton Electronics Company	7,416	0	7,416
136	Pfizer Inc. & Subsidiaries	60,651	0	60,651
137	Pharmaceutics International, Inc.	20,042	104,664	124,705
138	Phoenix Color Corp.	18,918	258	19,176
139	Pitney Bowes Software, Inc.	9,431	0	9,431

Appendix B: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2013

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
140	Plant Vax, Inc.	316	7,446	7,762
141	PowerElectronics, Co.	1,769	4,947	6,716
142	Powersims, Inc.	0	1,089	1,089
143	Precision Products Group, Inc.	739	81	820
144	Pritchard Brown, LLC	3,056	0	3,056
145	Pritchett Controls, Inc	7,550	10,817	18,367
146	Profectus Biosciences, Inc.	1,880	0	1,880
147	Progeny Systems Corporation	178	3,446	3,624
148	Prometric, Inc.	10,290	0	10,290
149	Prosync Technology Group, LLC	2,302	1,877	4,179
150	Qiagen North American Holdings, Inc.	48,176	0	48,176
151	Ray Enterprises of Chesapeake Walk, Inc.	3,362	0	3,362
152	Raytheon Company	21,366	0	21,366
153	Red Bag Solutions, Inc.	235	0	235
154	Restorative Therapies, Inc.	1,320	851	2,171
155	Rock-Tenn Converting Company	801	96	897
156	Rockwell Collins, Inc.	490	0	490
157	Rome Technologies, Inc.	1,570	1,373	2,943
158	RPM International, Inc.	6,765	2,630	9,395
159	SAP America, Inc.	3,622	20,104	23,726
160	Science Applications International Corporation	40,620	56,834	97,454
161	Singleton Electric Co., Inc.	6,656	19,144	25,800
162	Smart Imaging Systems, Inc.	268	0	268
163	Soltesz, Inc.	2,023	0	2,023
164	Sourcefire, Inc.	34,992	210,422	245,414
165	Special Operations Technology, Inc.	0	10,916	10,916
166	Spirent Communications of Rockville, Inc.	15,890	0	15,890
167	Stanley Black & Decker, Inc.	120,302	0	120,302
168	Stulz Air Technology Systems, Inc.	3,206	5,096	8,302
169	Synopsys, Inc.	969	4,832	5,802
170	TCOM, LP	8,088	38,481	46,570
171	Technologies Solutions Group, LLC	709	4,979	5,689
172	Technology Concepts & Commercialization, LLC	324	311	635

Appendix B: Research and Development Tax Credits, R&D Tax Credits Certified in FY 2013

	Company Name	Certified Basic Credit Amount	Certified Growth Credit Amount	Total Certified Credit Amount
173	Tecore, Inc.	8,219	4,034	12,253
174	Telecommunications Systems, Inc.	15,859	11,242	27,101
175	Tenable Network Security, Inc.	9,400	25,463	34,862
176	Tetracore, Inc.	1,582	12,042	13,623
177	Teva Biopharmaceuticals, Inc.	45,365	5,205	50,570
178	Thames Technology Holdings, Inc. and Subsidiaries	376	0	376
179	The KEYW Holding Corporation, Inc. & Subsidiaries	3,456	17,615	21,071
180	The Sherwin-Williams Company	662	0	662
181	Top Down Systems Corporation	0	6,805	6,805
182	Trak Microwave Corporation, DBA Lorch Microwave	1,683	0	1,683
183	Transformational Security, LLC	974	9,986	10,960
184	Travel Lite Co.	253	17	270
185	UAV Solutions, Inc.	2,954	22,278	25,231
186	UGT Manufacturing, LLC	1,020	252	1,272
187	United Parcel Service General Services, Co.	62,522	105,524	168,046
188	United Therapeutics Corporation & Subs.	19,055	23,213	42,268
189	Verizon Communications, Inc.	92,813	0	92,813
190	ViaSat, Inc.	35,401	39,659	75,059
191	Vigilant Medical, Inc.	128	812	941
192	Visual Analytics, Inc.	3,018	0	3,018
193	Vocus, Inc.	8,911	1,776	10,687
194	Vorbeck Materials Corp.	1,973	0	1,973
195	Western Services Corporation	3,937	5,666	9,603
196	Whitman, Requardt and Associates, LLP	29,871	0	29,871
197	WL Gore & Associates, Inc.	138,890	9,107	147,997
198	Wyle Laboratories, Inc.	14,285	1,075	15,361
199	Xcision Medical Systems, LLC	3,217	10,074	13,292
200	Zegaz Instruments, Inc	67	2	69
201	Zenimax Media, Inc.	75,984	428,075	504,059
202	Zynga, Inc.	18,424	89,968	108,392
Total		\$4,000,000	\$4,000,000	\$8,000,000

Appendix C: Biotechnology Investment Incentive Tax Credit

FY2013 QMBCs – Receiving Benefit of Program (23)	APROVED FINAL TAX CREDIT CERTIFICATES (\$)	APROVED FINAL TAX CREDIT CERTIFICATES (#)	Employees Working in Maryland** (#)
20/20 GeneSystem, Inc.	541,750	5	22
Alper Biotech, LLC	187,500	1	2
American Gene Technologies International Inc.	500,000	2	5
Animalgesic Laboratories, Inc. (formerly Bamvet Laboratories, Inc.)	676,188	16	7
BeneVir Biopharm, Inc.	25,000	1	2
BioMarker Strategies, LLC	62,500	2	1
Cerecor Inc.	Pending	Pending	17
Clear Guide Medical, LLC	87,500	2	6
ConverGene LLC	375,000	8	3
Creatv MicroTech, Inc.	215,000	9	7
Diagnostic Biochips, Inc.	75,000	1	3
DioGenix	743,500	7	2
Fyodor Biotechnologies, Inc.	Pending	Pending	3.5
Gliknik, Inc.	1,500,000	21	6
GrayBug	577,500	6	3
InnoVital Systems, Inc.	92,500	6	10
Noxilizer, Inc.	1,499,999	25	20
Plant Sensory Systems, LLC	57,500	1	7
Plasmonix, Inc.	187,500	4	4
Rafagen, Inc.	37,500	2	3
Sequella, Inc.	454,100	6	11
Synergy America, Inc.	137,500	4	3.5
Xcision Medical Systems, LLC	890,000	5	14
Total	\$8,923,037	134	162

** Numbers are based on the annual survey response from QMBC for the calendar year 2012, and contractors are excluded.

Appendix D: Recipients of Multiple Incentives FY 2014

Recipient	Programs
Bambeco LLC	Maryland Venture Fund (4)
BeneVir Biopharm, Inc.	BIITC/R&D
BrainScope Company, Inc.	Maryland Venture Fund (4)
Clear Guide Medical, LLC	Biotechnology Development Awards/BIITC
CoFoundersLab, Inc.	Maryland Venture Fund
CRWI, LLC	Maryland Small Business Development Financing Authority/Video Lottery Terminal Fund
Fyodor Biotechnologies, Inc.	BIITC/R&D
Koolspan, Inc.	Maryland Venture Fund (2)
Luminal, Inc. (formerly Lume S	Maryland Venture Fund (2)
Mainstreet Technologies, Inc.	Maryland Small Business Development Financing Authority (2)/Video Lottery Terminal Fund
Meso Scale Diagnostics, Llc	Maryland Economic Development Assistance Authority Fund/R&D
MK Catering, Inc.	Maryland Small Business Development Financing Authority/Video Lottery Terminal Fund
Noxilizer, Inc.	BIITC/R&D
OGOS Energy, LLC	Maryland Small Business Development Financing Authority/Video Lottery Terminal Fund
Plasmonix, Inc.	BIITC/Maryland Venture Fund
Pulse8, LLC	Maryland Venture Fund (2)
SocialToaster, Inc.	Maryland Venture Fund (2)
Tales2Go, Inc.	Maryland Venture Fund (2)
TextBehind, LLC	Maryland Small Business Development Financing Authority (2)
Undercover Cleaning	Video Lottery Terminal Fund (2)
Vocus, Inc.	Job Creation Tax Credit/R&D
Xcision Medical Systems, LLC	BIITC/R&D
Zenimax Media, Inc.	Job Creation Tax Credit/R&D

Appendix E: Compliance Triggers and Remedial Action

	Trigger	Action	Remedy
Legal Action			
	Recipient breaches " any " covenant, representation, warranty or other provision of our Agreements	Claim a Default	Require immediate repayment, proceed to enforce all rights available to the Department: <i>Forbearance, Charge Off, Foreclose, Charge Late Fees, Increase Interest Rate, Terminate Transaction, File Judgments, Clawback, etc.</i>
Discretionary Decisions			
	Late Payments >90 Days	Escalate to Management	Management discretion to charge late fee-contact client continue billing
	Late Payments >180 Days	Escalate to Management	Charge Off, Transfer to Special Assets, Work with AG on legal remedy; Management has discretion not to Charge Off account based on case-by-case circumstances and must document via Approval Memo why not Charging Off (see legal remedies)
	Upcoming Reporting Date & <60 Days past due	Tickler/Reminder E-mails	Notifies client before something comes due, or once something is late.
	>60 Days Past Due for any reporting	Escalate Issue to Finance Specialist	Contact client to get item, waive requirement for item (in writing), continue to monitor
	Failed Employment Goals	Escalate to Finance Specialist and Management	Move forward with clawback or depending on company and economic conditions the employment goals may be modified (see legal remedies)
	Poor Annual Financial Review	Escalate to Management	Continue to monitor; possible downgrade of risk rating; transfer to Special Assets, contact client, financial institution

Tax Credits			
Not Eligible	Applicant applies for certification of tax credit but does not meet statutory requirements	Do not certify as eligible for tax credit	The tax credits are non-discretionary. If the business does not meet the statutory requirements of the program, the Department may not certify them as eligible. For the One Maryland and Job Creation Tax Credits, the Department urges the applicant to apply for preliminary certification to identify any potential obstacles to final certification. We work with the company to identify and overcome any issues that would preclude the company from qualifying.
Non-compliance	Applicant is certified as eligible for tax credits but does not maintain the positions or investment.	Credits are recaptured; business may not use the credits during the carry forward period.	Under the Job Creation Tax Credit, the business must maintain the credits for three years or recapture some or all the credits. An independent CPA certifies at the end of the recapture period, whether any recapture is due the state. Under the One Maryland Tax Credit, if the business falls below a certain threshold of jobs, the business may not use the credit in that credit year. However, when its employment increases over the threshold, it may begin taking the credit again. The threshold was originally 25 jobs, but in recognition of the struggling economy, this was reduced to 10 jobs, if the business had maintained 25 jobs for at least five years. Under the Biotechnology Investment Incentive Tax Credit, if the investor that received a credit sells or transfers his ownership interest in the qualified Maryland Biotechnology Company (QMBC) or if the QMBC ceases to operate as an active business with its headquarters in Maryland within 2 years from the tax year they claimed the credit, they are required to recapture some or all of the credit.
In general, the tax credits are non-discretionary. If the business does not meet the statutory requirements, they will not qualify for the credits. DBED does not have the discretion to waive the statute. However, DBED does work with the businesses to identify issues early in the process. In addition, changes have been made to the programs through legislation that have made it easier to meet the program requirements			